



FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36345]

First State Infrastructure Managers (International) Limited, Global Diversified Infrastructure Fund (North America) LP, and Mitsubishi UFJ Financial Group, Inc.—Acquisition of Control Exemption—SteelRiver Transport Ventures LLC and Patriot Rail Company LLC

First State Infrastructure Managers (International) Limited (FSIM), Global Diversified Infrastructure Fund (North America) LP (GDIF-US), and Mitsubishi UFJ Financial Group, Inc. (MUFG),¹ all noncarriers, have filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to acquire control of SteelRiver Transport Ventures LLC (SRTV)² and its indirect subsidiary, Patriot Rail Company LLC (Patriot), both noncarriers, and 14 Class III rail carriers indirectly controlled by Patriot.³ The verified

¹ The verified notice states that subsidiaries of MUFG acquired FSIM and MUFG is therefore the ultimate parent of FSIM. GDIF-US is a pooled investment fund which is in the process of being formed as a Delaware limited partnership. Pursuant to an agreement with GDIF-US's general partner, FSIM will be delegated the authority to manage and control GDIF-US. MUFG, FSIM, and GDIF-US are collectively referred to as "First State."

² The verified notice states that SRTV's ownership currently consists of Class A and Class B interests. The Class A interests are held by PRC Holdings LLC, which is a subsidiary of PRC Funding LLC, which is a subsidiary of SteelRiver Arch Transport Holdings LLC (SRATH). The Class B interests are held by DPH Holdco LLC. GDIF-US will complete the proposed acquisition of SRTV by acquiring PRC Funding LLC from SRATH and purchasing the Class B interests from DPH Holdco LLC.

³ The 14 Class III rail carriers are: Columbia & Cowlitz Railway, LLC; DeQueen and Eastern Railroad, LLC; Georgia Northeastern Railroad Company LLC; Golden Triangle Railroad, LLC; Kingman Terminal Railroad, LLC; Louisiana and North West Railroad Company, LLC; Patriot Woods Railroad, LLC; Rarus Railway, LLC, d/b/a Butte, Anaconda & Pacific Railway Co.; Sacramento Valley Railroad, LLC; Temple &

notice states that a Purchase and Sale Agreement dated August 24, 2019, was executed by SRATH and DPH Holdco LLC as the sellers and FSIM on behalf of the buyer.⁴

The earliest the transaction may be consummated is October 13, 2019, the effective date of the exemption (30 days after the verified notice was filed).⁵

The verified notice states that: (i) the 14 SRTV/Patriot railroads do not connect with a railroad controlled by First State; (ii) the subject acquisition of control is not intended to connect the SRTV/Patriot railroads with any other railroad; and (iii) the transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. However, 49 U.S.C. 11326(c) does not provide for labor protection for transactions under 49 U.S.C. 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the

Central Texas Railway, LLC; Tennessee Southern Railroad Company, LLC; Texas, Oklahoma & Eastern Railroad, LLC; Utah Central Railway Company, LLC; and West Belt Railway LLC.

⁴ Concurrently with its verified notice, First State filed a motion for protective order under 49 CFR 1104.14(b), which will be addressed in a separate decision.

⁵ First State states that it intends to consummate the proposed transaction on or shortly after October 15, 2019.

effectiveness of the exemption. Petitions to stay must be filed no later than October 4, 2019 (at least seven days before the exemption becomes effective).

A copy of any petition filed with the Board should be sent to First State's representative: Thomas J. Litwiler, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606.

Board decisions and notices are available at www.stb.gov.

Decided: September 24, 2019.

By the Board, Allison C. Davis, Director, Office of Proceedings.

Jeffrey Herzig,

Clearance Clerk.

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